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**REPORT 2**  
*(1215/11/IM)*

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**EARLY APPLICATION OF BUILDING CONTROL  
ACTIVITY FEE: REVOCATION AND REPLACEMENT OF  
RESOLUTION**

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**1. Purpose of Report**

This report seeks Council's agreement to revoke and replace a resolution made at its meeting on Wednesday 24 February, in response to the need to correct a fee schedule for building consent related fees attached to 24 February paper in error.

**2. Recommendations**

It is recommended that Council:

1. *Receive the information.*
2. *Note the schedule attached to this paper in Appendix One – Building Control Activity Charges – which contains updated fee information;*
3. *Agree to revoke recommendation 2 of report 5 – Early Approval and Application of New Building Consent and Licensing Services Charges passed at the Council meeting held on 24 February 2010:*

*“Approve the increase in Building Consent Plan Review fees and for them to take effect from 1 March 2010.”*

4. *Agree to new Resolution 2 of Report 5:*

*“Approve the increase in Building Consent Plan Review fees and for them to take effect from 1 April 2010.”*

**3. Background**

During February, the Funding and Revenue (FAR) Working Party considered a range of fee options designed to enable the Building Consents and Licensing Services unit to achieve funding compliance for 2010/11. The FAR working party considered all the proposed changes and at its 17 February meeting agreed to support the early approval of some of those fee increases to cover changes in legislation or a legislative requirement to be registered by 1 July 2010.

At its Meeting on Wednesday 24 February 2010, Council considered a report on the early approval and application of new Building Consents and Licensing Services (BCLS) charges. A schedule of Building Control Activity fees and charges was attached to this paper. Council, among other things:

*“Approved the increase in Building Consent Plan Review fees and for them to take effect from 1 March 2010”.*

#### **4. Discussion**

As part of the budget setting process, BCLS and Finance identified that BCLS would have difficulty achieving its approved funding ratio of 65% fees funded and 35% rates funded. Unless fees were increased and/or costs reduced, the shortfall would unfairly fall on ratepayers rather than the users to bridge the shortfall.

A range of fee changes were put forward to the FAR working party and these were approved by them. Normally, all these fee changes would go through the Draft Annual Plan (DAP) process. However, in this case there were some fee changes that were needed to be approved early to cover changes in legislation (in respect of the Building Control changes) or a legislative requirement to be registered by 1 July 2010 (in respect of the Public Health changes).

A schedule of Building Control Activity fees and charges was produced for the FAR working paper incorporating all the proposed fee changes so that FAR members could see the overall combined effect of the proposed changes, if they were to take effect from 1 July after the DAP process.

It was this schedule that went to Council as part of the report on the early approval and application of new Building Consents and Licensing Services (BCLS) charges rather than a more simplified schedule reflecting only the changes that required approval for early application. The correct schedule is now attached to this report.

All other recommendations contained in the report that went to Council, that is the fees and charges relating to Public Health were correct.

It is important to note that no BCLS customers have been charged the incorrect fee.

#### **5. Conclusion**

An incorrect fee schedule was attached to the report on the early approval and application of new Building Consents and Licensing Services (BCLS) charges that was approved by Council at its 24 February 2010 meeting.

It is proposed that Council revoke the resolution where it approved the recommendation for the early application of Plan Check fee increases from 1 March 2010 which was supported by the incorrect schedule of fees, and replace

that with a resolution approving the early application of Plan Check fee increases from 1 April 2010 based on the correct schedule.

Contact Officer: *John Scott – Group Manager, Building Consents and Licensing*

## Supporting Information

### **1) Strategic Fit / Strategic Outcome**

*The paper supports Council activities as a regulator under the Building Act 2004, Health Act 1956, and Dog Control Act 1996, and its role as a regulator of building activities and public health.*

*This paper supports the Council outcomes:*

*6.5 Healthier – Wellingtons population will enjoy an healthy lifestyle and high standards of public health*

*1.4 Safer*

### **2) LTCCP/Annual Plan reference and long term financial impact**

*The activities as regulator are undertaken by the Property, Housing, Consents and Licensing Directorate, under activities 6.5.3 and 1.4.2 and are funded under projects C480 and C478*

### **3) Treaty of Waitangi considerations**

*N/A.*

### **4) Decision-Making**

*This is not a significant decision. FAR considered a number of options and reflects the views and preferences of those with an interest in this matter.*

### **5) Consultation**

#### **a) General Consultation**

*Council is not required under legislation to consult on this matter. Communication strategies with those affected parties will be implemented*

#### **b) Consultation with Maori**

*N/A.*

### **6) Legal Implications**

*This report meets Councils statutory obligations.*

### **7) Consistency with existing policy**

*This report is consistent with existing applicable policy, including the Dog Control Policy, and Public Health Bylaw.*

# APPENDIX ONE

## Building Control Activity Charges

Fee Description	2009/10 Current Fee	2009/2010 Proposed Fee
<b>Project Information Memorandum (PIMs) (if lodged with building consent)</b>		
<\$5,000	\$65.00	\$0.00
\$5001-\$12,000	\$130.00	\$0.00
\$12,001-\$50,000	\$195.00	\$0.00
\$50,001-\$250,000	\$260.00	\$0.00
\$250,001+	\$455.00	\$0.00
<b>PIM ONLY - not lodged with a Building Consent Project value</b>		
\$5,000 to \$250,001+	\$155.00 - \$545.00	\$155.00 - \$545.00

Fee Description	2009/10 Current Fee	2009/2010 Proposed Fee
<b>Plan Check</b>		
<\$5,000	\$130.00	\$195.00
\$5001-\$12,000	\$228.00	\$358.00
\$12,001 - \$25,000	\$293.00	\$488.00
\$25,001 - \$50,000	\$325.00	\$520.00
\$50,001 - \$75,000	\$423.00	\$683.00
\$75,001 - \$100,000	\$455.00	\$715.00
\$100,001 - \$250,000	\$845.00	\$1,105.00
\$250,001 - \$500,000	\$1,170.00	\$1,625.00
\$500,001 - \$1,000,000	\$1,950.00	\$2,405.00
\$1,000,000+	\$1,950.00	\$2,405.00
for each \$500k or part thereof over \$1,000,000	\$650.00	\$650.00

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## **EARLY APPROVAL AND APPLICATION OF NEW BUILDING CONSENT AND LICENSING SERVICES CHARGES**

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### **1. Purpose of Report**

This report requests the early adoption of a range of specific charges relating to building consents and licensing activities.

### **2. Recommendations**

Officers and the Funding Activity Review working party recommend that Council:

1. *Receive the information.*
2. *Approve the increase in Building Consent Plan Review fees and for them to take effect from 1 March 2010;*
3. *Approve the establishment of a new Food Control Plan and Verification fee and for this fee to take effect from 1 March 2010;*
4. *Approve the increase in other Health License fees and for them to take effect from 1 July 2010;*
5. *Approve the increase in Dog License fees and for them to take effect from 1 July 2010;*
6. *Note that early approval of Health and Dog Licenses is necessary in order to allow customers to be notified in sufficient time to be fully paid up and registered (as legally required) by 1 July 2010.*

### **3. Background**

The Building Consents and Licensing Services unit is seeking early approval of a range of fee increases in order to cover changes in legislation or legislative requirements to be registered by 1 July 2010.

The proposed changes have been considered by the FAR working party and are recommended by them. Information was provided by officers in order to satisfy the FAR working party as to the necessity and appropriateness of the proposed fees.

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## 4. Discussion

### 4.1 Adjustment to Plan Review fees to incorporate old PIM Fee

Until 1 February 2010, all building projects required a project information memorandum (PIM) before work went ahead. PIMs were applied for and provided before, or at the same time, as a building consent was processed, so that any possible issues were covered off at the very beginning of a project. From 1 February, PIMs have become voluntary under changes made to the Building Act 2004. However, the information that went into a PIM is still necessary to be able to process a consent.

Wellington City Council's intention to incorporate PIM fees into its Plan Review fees is consistent with other Councils. In discussion with other Councils, those that had separate PIM fees are seeking to incorporate the equivalent time incurred in PIM research into their Plan Review fees. Some Councils are not affected as they had not separated PIM fees from Plan Review when the requirements for PIM's was first legislated.

If the PIM fees transfer is not approved, the potential lost revenue for the remainder of the 2009/10 financial year would be approximately \$226,000 and up to \$550,000 each year from 2010/11.

### 4.2 Increase in Health License fees

Health licenses are legislatively required to be paid by 30 June each year in order for them to legally operate their premises. In order to meet these deadlines a number of internal process and system changes are required prior to applying fee changes. The normal DAP process would not allow any time for changes to be made, customers notified and payment from customers before the 30 June deadline.

The New Zealand Food Safety Authority also intends to move food regulation from an inspection based system to a risk based audit (verification) approach. Currently, a number of food premises are applying the new requirements voluntarily but the existing Council fee schedule does not appropriately cover this activity or the time involved by our officers. A new fee is being introduced that reflects the officer time to administer the food control plan registration and verification.

If early approval and application does not occur, then we will be unable to apply the new fees (excluding the food control plan registration and verification fee) until 1 July 2011.

### 4.3 Increase in Dog Fees

Similarly to health licenses, dogs are required by legislation to be registered by 1 July each year. In order to meet these deadlines a number of internal process and system changes are required prior to applying the fee changes. The normal

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DAP process would not allow any time for changes to be made, customers notified and payment from customers before the 1 July deadline.

It would also mean that there is increased risk of Responsible Dog Owners (RDOs) technically failing to meet the conditions of being an RDO

### **4.4 Consultation and Engagement**

Officers have assessed the fee setting provisions in the Building Act, Dog Control Act and in the Health (Registration of Premises) Regulations. None of these pieces of legislation require public consultation to set fees, however fees must be set by resolution of Council. Dog fees will need to be publicly notified at least once in the month preceding the start of the registration year.

### **4.5. Long-Term Council Community Plan Considerations**

Approval of the attached fees will enable compliance with set funding ratios to be achieved in 2010/2011 and outlying years

## **6. Conclusion**

Officers have worked on a range of revenue options for the building control and public health activities in order to achieve funding ratio compliance. The proposed changes enable the cost of activities to be fairly charged to the users of those activities.

The proposed fees covered by this paper are those building control and public health fees that must be approved early and outside of the DAP process in order to either minimise the impact of legislative changes already made, or to enable customers/applicants to meet legislative requirements to be registered by 30 June 2010.

Contact Officer: *John Scott,*  
*Group Manager, Building Consents and Licensing Services*



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### Supporting Information

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*This paper supports the Council outcomes:*

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#### **2) LTCCP/Annual Plan reference and long term financial impact**

*The activities as regulator are undertaken by the Property, Housing, Consents and Licensing Directorate, under activities 6.5.3 and 1.4.2 and are funded under projects C480 and C478*

#### **3) Treaty of Waitangi considerations**

*N/A.*

#### **4) Decision-Making**

*This is not a significant decision. FAR considered a number of options and reflects the views and preferences of those with an interest in this matter.*

#### **5) Consultation**

##### **a) General Consultation**

*Council is not required under legislation to consult on this matter. Communication strategies with those affected parties will be implemented*

##### **b) Consultation with Maori**

*N/A.*

#### **6) Legal Implications**

*This report meets Councils statutory obligations.*

#### **7) Consistency with existing policy**

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## Information Contained in a Project Information Memorandum (PIM)

- information identifying each special feature of the land concerned (if any)
- information that, in terms of any other Act, has been notified to the territorial authority by a statutory authority
- details of existing stormwater or wastewater utility systems on, or adjacent to, the site of the proposed building work
- details of authorisations (including requirements to be met and conditions) in respect of the proposed building work that the territorial authority, on its own behalf and on behalf of any network utility operator, is authorised to refuse or require under any other Act
- either confirmation that the building work may be carried out subject to the requirements of a building consent and subject also to all other necessary authorisations being obtained OR notification that building work may not be carried out because any necessary authorisation has been refused, despite the issue of any building consent
- if the PIM relates to the construction of a building on land composed of two or more allotments, the statement referred to in section 75(2)

plus, where applicable:

- information regarding the heritage status of the building
- a statement, if the building is of historic nature, that the New Zealand Historic Places Trust will be (or has been) notified
- if the owner of the building is likely to be required to make provision for an evacuation scheme under section 21A of the Fire Service Act 1975, a statement to that effect
- a notice under section 36 advising that a development contribution under the Local Government Act 2002 will need to be paid before a code compliance certificate can be issued
- a certificate under section 37 stating that building work may not proceed until a resource consent has been obtained, or may only proceed to the extent stated in the certificate.

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Fee Description	2009/10 Current Fee	2010/11 Proposed Fee
<b>Health Licensing &amp; Inspection</b>		
New food premises (1st yr set up)	\$420.00	\$440.00
New Non Food Premises (1st yr set up)	\$210.00	\$220.00
Change of occupiers fee base fee	\$105.00	\$112.50
Change of Occupiers Fee base fee - charge over 1 hr (per hr)	\$105.00	\$112.50
Inspections (per hr) for legal action	\$105.00	\$112.50
Late payment +10%		
<b>Annual licence for registered food premises:</b>		
* Excellent Grade	\$157.50 - \$525.00	\$165.50 - \$550.00
* Good Grade	\$262.50 - \$735.00	\$275.00 - \$775.00
* Ungraded	\$315.00 - \$945.00	\$330.00 - \$995.00
* Ungraded - high risk	\$420.00 - \$1575.00	\$440.00 - \$1,710.00
Food Control Plan registration & verification		\$435.00 - \$1,650.00
additional inspections (over 3 hr) per hr	\$105.00	\$112.50
Re-grading of Premises (per hr)	\$105.00	\$112.50
<b>Health License</b>		
* Small clubs (min. food prep.)	\$131.25	\$137.50
* Unregistered Eating Houses	\$183.75	\$193.00
<b>Temporary License</b>		
* Temporary/mobile food stalls base fee	\$157.00	\$164.50
<b>Annual License for registered premises:</b>		
* Animal boarding	\$210.00	\$220.00
* Camping grounds	\$210.00	\$220.00
* Hairdressers	\$105.00	\$110.00
* Mortuaries/Funeral Directors	\$131.25	\$137.50
* Offensive Trades	\$262.50	\$275.00
<b>Annual Licence:</b>		
* Pools: commercial pools/spas	\$210.00	\$220.00
* Pools: commercial pools/spas - excellent	\$105.00	\$110.00
* Schools - Pools (no entry fee)	\$0.00	\$0.00
* Saunas Only	\$84.00	\$88.00
<b>Registration per animal:</b>		
		\$0.00
* Entire	\$145.00	\$152.00
* Neutered /spayed (with proof)	\$105.00	\$110.00
* Working dogs	\$40.00	\$42.00
* Approved responsible owner	\$50.00	\$52.50
<b>* Charge for late payments (50%)</b>		
		\$0.00
Licence for 3 or more dogs	\$30.00	\$30.00
Licence for Guide or Hearing Dog	free	free
Application for RDO status or change of RDO address	\$50.00	\$52.50
National Dogs Database Levy	\$2.50	\$2.50

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Business Unit, Building Consents & Licensing Services (BCLS)		
Fee Description	Current Fee	Proposed Fee in 10/1
<b>Building Control Activity Fees &amp; User Charges</b>		
<b>PIM (if lodged with building consent)</b>		
<\$5,000	\$65.00	replaced
\$5001-\$12,000	\$130.00	replaced
\$12,001-\$50,000	\$195.00	replaced
\$50,001-\$250,000	\$260.00	replaced
\$250,001+	\$455.00	replaced
PIM ONLY - single residential dwelling including accessory buildings	\$155.00 - \$545.00	\$320.00
PIM ONLY - other	\$155.00 - \$545.00	\$410.00
<b>Plan Check (New Fees, Category 1,2 &amp; 3)</b>		
<\$5,000	\$130.00	replaced
<\$10,000 (Category 1)		\$304.00
<\$10,000 (Category 2)		\$473.00
<\$10,000 (Category 3)		\$608.00
\$5001-\$12,000	\$228.00	replaced
\$10,001 - \$20,000 (Category 1)		\$675.00
\$10,001 - \$20,000 (Category 2)		\$675.00
\$10,001 - \$20,000 (Category 3)		\$675.00
\$12,001 - \$25,000	\$293.00	replaced
\$20,001 - \$100,000 (Category 1)		\$743.00
\$20,001 - \$100,000 (Category 2)		\$743.00
\$20,001 - \$100,000 (Category 3)		\$743.00
\$25,001 - \$50,000	\$325.00	replaced
\$50,001 - \$75,000	\$423.00	replaced
\$75,001 - \$100,000	\$455.00	replaced
\$100,001 - \$250,000	\$845.00	replaced
\$100,001 - \$500,000 (Category 1)		\$810.00
\$100,001 - \$500,000 (Category 2)		\$1,215.00
\$100,001 - \$500,000 (Category 3)		\$1,215.00
\$250,001 - \$500,000	\$1,170.00	replaced
\$500,001 - \$1,000,000	\$1,950.00	replaced
\$500,001 - \$1,000,000 (Category 1)		\$1,890.00
\$500,001 - \$1,000,000 (Category 2)		\$2,160.00
\$500,001 - \$1,000,000 (Category 3)		\$2,430.00
\$1,000,000+	\$1950.00+	replaced
\$1,000,000 + (Category 1)		N/A
\$1,000,000 + (Category 2)		\$2,500.00
\$1,000,000 + (Category 3)		\$2,500.00
for each \$500k or part thereof over \$1,000,000	\$650.00	\$650.00
Consent Suspend Fee (to review additional information), charge per additional hour of officer re-assessment time.		\$135.00